

# Contract Management Strategies



# Introductions

**Presenters are**

**DEO Procurement Specialists**

**Hallee Kox**

**Leann McGowan**

**Travis Messerschmidt**



# Agenda

- Implementation of Contract
- Best practices for contract Management including:
  - Team Communication
  - Organizational tools for contract management and spend
  - Open Contract Communications
  - Resolving Problems
  - Yearly reviews and analysis for Renewals
  - Determination of Continuance
  - Negotiating Renewal and Amendments
- Communicating Contract Availability within your Agency
- Answer questions and share audience ideas and experiences



# Questions?





# Implementation of Contract

- What does that mean – who is included – where does it start?
- Who is a part of your team?
  - Who is responsible for the areas involved as a part of the contract
  - Daily operations; Delivery receipt; Accounts Payable; Escalation contacts if there is an issue
- Meeting with the Vendor(s) to ensure understanding of the contract – who to contact for every situation
  - Meet with the Vendor’s team involved to discuss contract



# Contract Implementation Checklist

Description	Handled By	Completed	Date Completed
<b>Before Intent to Award is Sent</b>			
<a href="#">Check the Certification for Collection of Sales Use and Tax and Contract Compliance Vendor Directories to confirm that Bidder/Proposer is eligible to do business with the State.</a>	Procurement Specialist	<input type="checkbox"/>	
Draft contract, Intent to Award Letter, Abstract and internal routing document for signature if applicable	Procurement Specialist	<input type="checkbox"/>	
Check if Bidder/Proposer has a supplier and ACH account setup in STAR/purchasing system.	Procurement Specialist	<input type="checkbox"/>	
<b>After Intent to Award is Sent/During Protest Period</b>			
Provide Contract Administrator awarded Bidder/Proposer's entire bid response, abstract and other pertinent documentation	Procurement Specialist	<input type="checkbox"/>	
Notify awarded Bidder/Proposer when the protest period ends and who the Contract Administrator is for negotiations/getting contract signed	Procurement Specialist	<input type="checkbox"/>	
Notify Secretary's Office that they may receive a protest to this solicitation by the specified date	Contract Administrator	<input type="checkbox"/>	
If awarded Bidder/Proposer is not in STAR/purchasing system or doesn't have an ACH account setup, provide them forms to start process and submit through appropriate channels once completed	Contract Administrator	<input type="checkbox"/>	
Create an agenda for a Contractor kickoff meeting	Contract Administrator	<input type="checkbox"/>	
<b>After Protest Period Ends</b>			
Enter transactional contract ID in STAR/purchasing system (if PO is contract enter contract ID first) after both parties signatures are obtained.	Contract Manager	<input type="checkbox"/>	
Save contract in Bid/Proposal file	Contract Manager	<input type="checkbox"/>	
<a href="#">Email the Contract Compliance Program the solicitation number/title, Contractor's name/contact information and the transactional contract ID</a>	Contract Manager	<input type="checkbox"/>	
Schedule kickoff meeting with Contractor, attach agenda	Contract Administrator	<input type="checkbox"/>	



# Kickoff Meeting Agenda Example

- **Introductions**
  - a. Who is my main point of contact?
- **Documents**
  - a. DOA-6450 STAR Vendor Information Form (if applicable)
  - b. ACH form completed-
  - c. Contract (review requirements such as quarterly reports, request for cost increase, customer service, etc.)
  - d. Business Associate Agreement (HIPPA)
  - e. Account Set-up Procedures
    - i. Agency List (contacts for each agency, [State Agency Purchasing Directory](#))
    - ii. Agency Divisions Involved (accounting/purchasing staff)
- **Systems/Training**
  - a. User Guide Information (is there any information that you require from the authorized users before their order can be placed?)
  - b. Marketing materials, etc. (are there any pertinent marketing materials you want posted to VendorNet, including free options?)
- **Contract Start Date**
- **Quarterly Meeting**



# Vendor Meeting & Info "ALL-IN-ONE" Spreadsheet

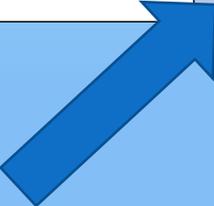
## VENDOR MEETING SPREADSHEET

<b>VENDOR MEETING SPREADSHEET</b>				
<b>Company Name</b>		<b>Need to complete AA</b>		
<b>DBA</b>		<b>FEIN</b>		
<b>Main Address/Location:</b>		<b>Main Telephone(s):</b> 1-	800-	
		<b>Website:</b>		
<b>Other Locations:</b>				
<b>Attendees:</b>	<b>Name</b>	<b>Title</b>	<b>Email</b>	<b>PH:</b>
1				
2				
3				
4				
<b>Review of the following:</b>	<b>Item</b>	<b>Completed</b>	<b>Follow up Information Needed - Detail - Who will follow up</b>	<b>Follow up Email &amp; to whom</b>
	Contract - signed			
	Performance & Support Requirements			
	Pricing Reviewed and Acknowledged			
	Review price request change			
	State of WI - PO review and where information is location (Ship Date, where to ship, unit & total price, where to send invoice, etc.)			
	Contract Contact List			
	How/where to submit a proper invoice			
<span>Initial Meeting</span>   CONTACT LIST   Q1 Mtg   Q2 Mtg   Q3 Mtg   Q4 Mtg   Report Template for Contract   +   ⋮   ⏪				



# Contract Contact Spreadsheet example

CONTRACT CONTACT LIST FOR VENDOR / AGENCY						
Contract #		Contract Name:				
PeopleSoft Supplier ID		Location # for ACH		Website:		
VENDOR NAME:			VENDOR ADDRESS:			
VENDOR NAME (Company ABC)				AGENCY / UW / CONTRACT USER		
NAME	EMAIL	TELEPHONE	POSITION / TITLE	NAME	EMAIL	TELEPHONE
			Contract Manager			
			Inside Sales / Contract Coordinator			
			Service / Delivery			
			Accounts Recv. / Accounts Payable			
			Emergency Contact #1			
			Emergency Contact #2			
			Supervisor			
			Owner / Director			



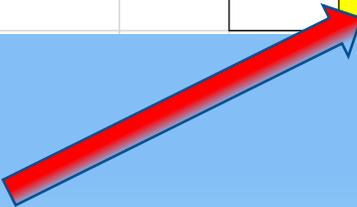
# Vendor Meeting Quarterly Spreadsheet Example

VENDOR MEETING SPREADSHEET - Q1				MEETING DATE:	
Contract #		Contract Name:			
Company Name		Information Sent to Contacts 1 week prior to meeting Date		Date emailed:	
Main Address/Location:			Main Telephone(s): 1-	800-	
Attendees:	Name	Title	Email	PH:	
1					
2					
3					
4					
AGENDA / DISCUSSION POINTS					
Review of the following:	Item / Discussion Point	Completed	Follow up Information Needed - Detail - Who will follow up	Follow up Email & to whom	
	Discussion Points from Vendor				
	Discussion Points from Agency				
	Have payments been on time				
	Contact List updates				
	CONFIRM NEXT MEETING DATE FOR Q2				
	FOLLOW-UP NOTES FROM MEETING EMAILED TO GROUP				



# Contract Report Template Example

1	STATE OF WISCONSIN APRIL 1, 2019 TO MARCH 31, 2024				WI CONTRACT: 505ENT-M19-TIRES&TUBES-01			Q2 04-01-19 to 06-30-19	NASPO REFERENCE: MA 19101 The Goodyear Tire & Rubber Company			
2	Order Date	PO #	Name of Purchasing Entity	Mfg. PN	Item Description	UOM	Quantity	Unit List Price	Extended List Price	Unit Contract Price	Extended Contract Price	Shipping /Delivery Cost
328	6/30/2019	732002500	APPLETON, CITY OF@PO BOX 2428@	732002500	P235/55R17 98W S2 EAG RS-A V	EA	3	\$244.21	\$732.63	\$116.00	\$348.00	\$0.00
329	6/30/2019	166042528	DUNN COUNTY SHERIFF@615 PARKV	166042528	245/55R18 103V SL EAG UG GW3	EA	1	\$303.16	\$303.16	\$144.00	\$144.00	\$0.00
330	6/30/2019	744830900	HO CHUNK TRANSPORTATION@2737	744830900	LT225/75R16 115/120Q E WRL H	EA	6	\$210.87	\$1,265.22	\$109.65	\$657.90	\$0.00
331	6/30/2019	732001558	JEFFERSON COUNTY SHER@411 S CE	732001558	265/60R17 108V EAG ENFORCER	EA	5	\$294.74	\$1,473.70	\$140.00	\$700.00	\$0.00
332	6/30/2019	732002500	KENOSHA CITY OF@3725 65TH ST@K	732002500	P235/55R17 98W S2 EAG RS-A V	EA	4	\$244.21	\$976.84	\$116.00	\$464.00	\$0.00
333	6/30/2019	732004558	MENOMONEE FALLS VILLAGE OF@W	732004558	245/55R18 103V EAG ENFORCER	EA	6	\$307.37	\$1,844.22	\$146.00	\$876.00	\$0.00
334	6/30/2019	166042528	ST OF WISCONSIN 00148125-	166042528	245/55R18 103V SL EAG UG GW3	EA	5	\$303.16	\$1,515.80	\$144.00	\$720.00	\$0.00
335	6/30/2019	407786374	ST OF WISCONSIN 00148125-	407786374	225/65R16 100T SL ASSURANCE A	EA	2	\$132.60	\$265.20	\$68.95	\$137.90	\$0.00
336												
337												
338									\$484,430.81		\$221,502.20	\$0.00
339								<b>Q1 TOTALS:</b>	<b>\$562,920.82</b>		<b>\$254,813.40</b>	
340								<b>Q2 TOTALS:</b>	<b>\$484,430.81</b>		<b>\$221,502.20</b>	<b>\$0.00</b>
341								<b>Q3 TOTALS:</b>				
342								<b>Q4 TOTALS:</b>				
343								<b>2019 YTD:</b>	<b>\$1,047,351.63</b>		<b>\$476,315.60</b>	<b>\$0.00</b>





# Team Communication

- **Develop your team of Subject Matter Experts (SME)**
  - Review Contract and the User Guide
  - Decide how will we communicate? Weekly/monthly meetings
    - Determining action items for the meeting –
  - Build relationships with your customer agencies
  - Understand service to meet agency needs
  - Application changes
  - Gain understanding and communicate future market changes to the team
  - Provide progress reports on a regular basis



# Contract Performance & Support Requirements

## APPENDIX B

### PERFORMANCE AND SUPPORT REQUIREMENTS

As part of the original procurement and as agreed upon for Contract 505ENT-M20-VEHICMAINT-00

	<b>Organizational Capabilities &amp; Support Personnel</b>
3.1.1	All contracted services shall extend throughout the State of Wisconsin and all of the US and Canada.
3.1.2	The State of Wisconsin has an established telephone number, 1-833-WISCFIX (947-2349). This number must provide separate designated prompts to accommodate multiple users to access the system (i.e. Driver, Maintenance provider or Repair facility, and Fleet Administrator), after selection, the line shall route to select Emergency Roadside Assistance, Maintenance & Service, Glass repair, Service provider availability to call in for questions and approvals, Accidents, etc.
3.1.3	Provide 24-hour / 7 days per week customer service, including roadside assistance by dialing the State of Wisconsin telephone number as listed in 3.1.2. with personnel that can assist and arrange services.
3.1.4	Provide and maintain a dedicated website to accommodate Contract users with a range of browsing skills to navigate the system.
3.1.5	Website shall have the capabilities at a <u>minimum</u> to document, track and update the following information: Equipment ID, vehicle description, year, make, model, color, VIN, owner/agency, name of employee vehicle is assigned to, physical base location address, track meter/mileage information, vehicle class, license number, repair detail, total cost of ownership (TCO) including fuel, general maintenance, repair detail, etc.



# Organizational Tools

## Contract Management

- Contract Implementation Checklist
- Contract examples with forms incorporated
- Vendor (Kickoff) Agenda Information to review
- Contract User Guide
- Vendor Turnover Table
- Questions and Answers Spreadsheet

## Contract Spend

- Track your contract spend quarterly by having the vendors submit reports from a pre-formatted spreadsheet
- Report format consistency and schedule
- Fact Checking data
- Discuss and document any discrepancies or changes in spend – and why



# Contract User Guide Example

## Security Guard Services Contract

Include:

- Scope
- Contract ID and term
- How to purchase
- Contract Manager and Contractor contact information

### Security Guard Services Contract #505ENT-M21-SECGRDSVS-00 RFB #28325-JM

Mandatory: YES (for State Entities)  
Cooperative: YES (WI municipalities may use this contract)

#### Contract Term:

Initial Contract Term: July 1, 2020 thru June 30, 2022  
1<sup>st</sup> Renewal Term: July 1, 2022 thru June 30, 2023  
2<sup>nd</sup> Renewal Term: July 1, 2023 thru June 30, 2024  
3<sup>rd</sup> (Final) Renewal Term: July 1, 2024 thru June 30, 2025

#### Scope

This contract is for Security Guard Services (unarmed and armed) throughout 8 regions in the State. This contract is required for State agencies and optional for UW campuses. This contract may be used by municipalities.

#### Using the Contract

- Authorized users with a need for security guard services will contact DOA, Division of Capitol Police (See [PRO-512](#) for more info). Requirement for Armed Security Guard services must be justified through a formal risk assessment process and approved by Capitol Police.]
- Determine which supplier is awarded in the Region in which the facility is located and for the classification required by the agency.
- Contact one of the awarded suppliers directly with a clear list of expected duties, patrol routes, etc. Work with the supplier to complete a Statement of Work Form.

#### Security Guard Classifications

- Security Guard I – unarmed, minimum of 6 mos. experience
- Security Guard II – unarmed advanced and/or higher risk services, min of [2 years experience](#)
- Security Guard III – Armed, high risk services, min of 3 years armed experience

#### Supplier Contract Numbers

**Per Mar Security**  
**505ENT-M21-SECGRDSVS-03**

Awarded:

- Security Guard I Regions 1-6 and 8, Secondary Supplier; Region 7, Primary Supplier
- Security Guard 2 Regions 1-8, Secondary Supplier

Contact: Mark Schaefer

Email: [mark.schaefer@permarsecurity.com](mailto:mark.schaefer@permarsecurity.com)

Office: 414-483-2239 Cell: 414-345-7027

**Star Protection and Patrol, LLC**  
**505ENT-M21-SECGRDSVS-04**

Awarded:

- Security Guard I Regions 1-6 and 8, Primary Supplier; Region 7, Secondary Supplier
- Security Guard 2 Regions 1-8 Primary Supplier
- Security Guard 3 Regions 1-8 Primary Supplier

Contact: Zachary H. Taft

Email: [ztaft@starprotectionandpatrol.com](mailto:ztaft@starprotectionandpatrol.com)

Office: (920) – 309 – 8377 Cell: (920) – 461 – 5862

**Contract Manager:** Jeannie McCarville

DOA – State Bureau of Procurement  
101 E. Wilson Street, 6<sup>th</sup> Floor, Madison, WI 53703  
608-264-9590 jeannie.mccarville2@wisconsin.gov

# Vendor Turnover Table

Building	Awarded	Effective 4/1/2018	Effective 9/1/2018	Effective 9/4/18
DOA-DET Computer Center	Contractor A			
Hill Farms State Transportation Building	Contractor B	Service cancelled, building torn down		
Hill Farms DEL Building	Contractor B			
Badger Road State Office Building	Contractor B	Service cancelled, building sold		
Wisconsin Public Broadcasting Center	Contractor C		Contractor A because Contractor C sent notice of cancellation on 6/1/18- See Contractor C file for notice of cancellation letter	
State Agriculture Building	Contractor D			Cancelled and replaced with simplified bid because Contractor D had contractual service issues, and other bidders would not hold price. - See Contractor D file for emails about service issues



# Questions and Answers Spreadsheet

#	EMAIL DATE	WHAT	QUESTION	ANSWER	Who
1	9/16/2020	Expanding Scope	Is there an option to add a job title under this contract?	Appendix B has sample duties for each job category, but agencies can assign other similar duties if one of the existing job titles could apply. However, as long as the service is within the scope of the Contract (clerical, food services, light industrial) agencies may solicit quotes from Contractors to see if they can provide services.	Bob Smith, DOA
2	9/18/2020	Out of State Contractors	It looks like two of the vendors you recommended below are out of State, would they still bid this?	The contractors pick applicants from a temp help pool, so as long as they can find an applicant that fulfills your job description they would submit a response.	Joan Waters, DOA
3	9/18/2020	Contact Tracer Bill Rates	If we provide any contact tracing staff under the Program Assistant III position on the Statewide contract, are we bound by the Bill Rate of the Statewide contract on any new COVID-19 positions the State makes available to the State's agencies?	If the end user and Contractor agreed to use a program assistant III for contact tracers the bill rate could not exceed the established rates on the statewide contract. The bill rate established between the end user and contractor would remain firm for the duration of that agreement (sub agreement).	Tom Edwin, Contractor B
4	9/22/2020	Terminating Agreement	Our campus is working with the vendors for temporary help. I wanted to confirm a few items as I did not see specifics in the bid.  Is there a minimum or required length of time that a temporary employee needs to be hired for? Is there a minimum or required length of notice that needs to be provided to the vendor when terminating a temporary help assignment?	There isn't a minimum amount of time someone can be contracted, but there is a maximum of twelve (12) months.  The start and end date of the assignment should be agreed upon before services start, but if services provided during the duration of the agreement aren't adequate you may request to have the staff member replaced within 24 hours or work with a different contractor in which they will continue to provide services until the new Contractor starts. In case it comes up in the future, below are the sections that discuss replacements or changes in contractors.  We don't have anything in the contract about terminating the assignment prematurely, so it would be between the user and the contractor to determine how much notice is needed. If there is a concern that need for	Dave Hudson, UW Eau Claire





# Open Contract Communication

## Implementation & for the Life of the Contract

- Check and ensure Contractor/Vendor is prepared to work with end-users and has all information needed to be successful
- Notify end-users of any updates
- Contract performance expectations
- Contract Implementation Checklist
- Quarterly meetings
- Document everything
- **CONSISTANTLY** Check the Certification for Collection of Sales Use and Tax and Contract Compliance Vendor Directories to confirm that Bidder/Proposer is eligible to do business with the State



# Resolving Problems

## Informal Remedy

- Handle with a phone call/email
  - Ask for resolution
- Document everything
  - Get confirmation in writing
- Add to contract file

## Formal Remedy

- Written notification with suggested remedy
- Request Corrective Action Plan
  - Give specific examples from the contract where the vendor is underperforming
  - Set Performance Dates
- Require a Plan to fix Problem





# Yearly Reviews and Analysis for Renewals

Reporting examples/templates

Taking reports from team/contractor and reviewing progress

Reviewing other states contracts

Meetings with agency representatives to discuss contract



# Open Book Wisconsin - Validate Spend with Vendor

OpenBook Wisconsin

Friday, November 06, 2020

Home Expenditures **Contracts** Salary Other Resources Common Questions

Contact Us

Fiscal Year: 2019 New Search

Vendor: Ewald Chevrolet Buick LLC

Purchase Orders (14)

Search: Type Search Here Starts With Search Excel Export

Purchase Order	PO Date	Agency	Amount	Balance
<a href="#">0000010465</a>	03/20/2019	Natural Resources, Department of	\$403,634.00	\$201,817.00
<a href="#">0000010470</a>	03/21/2019	Natural Resources, Department of	\$58,334.00	\$29,167.00
<a href="#">0000010471</a>	03/21/2019	Natural Resources, Department of	\$72,056.00	\$36,028.00
<a href="#">0000010473</a>	03/21/2019	Natural Resources, Department of	\$116,056.00	\$58,028.00
<a href="#">0000010476</a>	03/21/2019	Natural Resources, Department of	\$274,424.00	\$137,212.00
<a href="#">0000010982</a>	09/07/2018	Transportation, Department of	\$431,556.00	\$215,778.00
<a href="#">0000010983</a>	09/07/2018	Transportation, Department of	\$74,548.00	\$37,274.00
<a href="#">0000009053</a>	10/31/2018	Corrections, Department of	\$52,056.00	\$26,028.00
<a href="#">0000005052</a>	02/06/2018	Administration, Department of	\$115,540.00	\$57,770.00
<a href="#">0000006552</a>	09/21/2018	Administration, Department of	\$79,534.00	\$39,767.00
<a href="#">0000006612</a>	10/11/2018	Administration, Department of	\$78,674.00	\$39,337.00
<a href="#">0000006613</a>	10/11/2018	Administration, Department of	\$71,872.00	\$35,936.00
<a href="#">0000007208</a>	04/11/2019	Administration, Department of	\$32,932.00	\$32,930.00
<a href="#">0000007271</a>	05/06/2019	Administration, Department of	\$123,578.00	\$62,720.00
<b>Total:</b>			<b>\$1,986,794.00</b>	<b>\$1,009,860.00</b>

Data is most current available.

Validate Spend with Vendor

<http://openbook.wi.gov/>



# Determination of Continuance

Is the contract still relevant

Piggybacking from other State Agencies or other States

NASPO contract participation

Is costing still applicable to other contracts obtained in the past



# Example of multiple year analysis

MY2017 - MY2018 - MY2019 - MY2020 VEHICLE PRICE ANALYSIS							
MAKE	Model	Engine	MY2017 Base Price	% Variance 2017 vs 2018	MY2018 Base Price	MY2019 Base Price	% Variance 2018 vs 2019
PASSENGER VEHICLES							
Chevrolet	Malibu	4 Turbo - 1.5L (std)	\$19,157.00	-8.9%	\$17,451.00	\$17,903.00	2.6%
Chevrolet	Impala	2.5L - 4 cyl.	\$21,317.00	0.7%	\$21,475.00	\$22,220.00	3.5%
Ford	Fusion, FWD	4 cyl. Base	\$17,465.00	-1.1%	\$17,269.00	\$17,503.00	1.4%
Ford	Mustang	4 cyl. 2.3L	\$24,256.00	2.2%	\$24,293.00	\$25,329.00	2.2%
Avg. % Diff. MY17 vs. MY18				-1.8%	Avg. % Diff. MY18 vs. MY19		2.4%

Take the time to understand how your items are being bid by the Vendor –

Is it time to review if the award process is relevant to what is being provided? Has the service / commodity evolved from what has always been done the in past?

Understand and document industry changes to ensure you track for future evaluations

PASSENGER VEHICLES							
Chevrolet	Tahoe SSV	V8	\$33,327.00	2.1%	\$34,040.00	\$34,111.00	0.2%
Chevrolet	Tahoe PPV	V8	\$33,943.00	2.1%	\$34,656.00	\$34,727.00	0.2%
Dodge	Charger Pursuit, AWD, D5	V8	\$24,255.00	-5.0%	\$23,046.00	\$23,896.00	3.7%
Dodge	Durango SSV, RWD,	V6	\$26,394.00	-5.8%	\$24,876.00	\$25,784.00	3.7%
Ford	Police Interceptor, AWD, F37A -	V6	\$26,553.00	3.8%	\$27,569.00	\$31,964.00	15.9%
Ford	Expedition SSV, 4x4, F30	V6	\$32,058.00	14.6%	\$36,737.00	\$37,001.00	0.7%
Avg. % Diff. MY17 vs. MY18				2.0%	Avg. % Diff. MY18 vs. MY19		4.1%





# Negotiation Renewals and Amendments

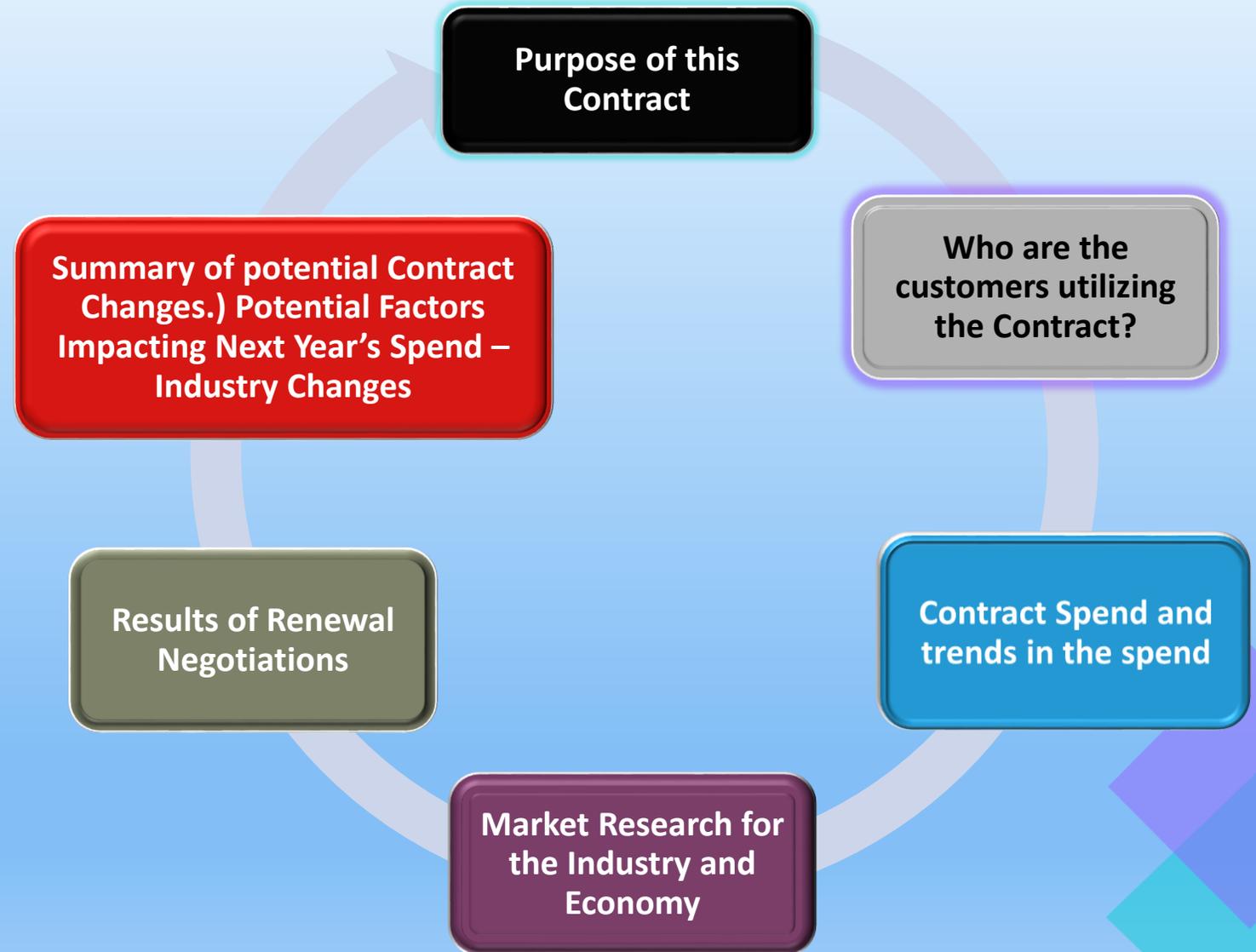
## Market changes/Price trends

- Ibis World
- [Consumer Price Index](#)
- Other State's contract cost
- [WisConomy](#) (My LMI Tool, County Wages)
- Order of Precedence
- Broadening scope to cater to all end-users
- Amending contract as market and agency needs change



# Contract Renewal Analysis

**Understand  
and  
convey the  
history of  
the  
Contract –**



# Contract Renewal Analysis Example

Spend increase – Why.....

Annual Spend for calendar year:

VENDOR	2018	2019	2019 Q1	2019 Q2	2019 Q3	2019 Q4
[Redacted Vendor]	\$6,575,705.16	\$10,994,111.69	\$4,364,120.88	\$1,285,533.81	\$2,483,915.50	\$2,860,541.50
	\$31,756,053.50	\$33,329,340.97	\$5,475,215.50	\$10,347,979.77	\$3,808,640.30	\$13,697,505.40
	\$4,401,025.28	\$12,329,940.88	\$2,575,324.50	\$3,321,689.38	\$789,898.50	\$5,643,028.50
	\$6,882,817.16	\$0.00				
	\$0.00	\$4,891,496.24	\$501,039.97	\$1,820,178.38	\$556,598.29	\$2,013,679.60
<b>TOTAL:</b>	<b>\$49,615,601.10</b>	<b>\$61,544,889.78</b>				

<b>2018</b>	Ordering of LE vehicles throughout the state due to Interceptor model change, price increase associated with the model change and availability - influx for Ford orders in 2018 ** [Redacted] information obtained from Open Book Wisconsin - due to personnel turnover - reports were not received from [Redacted] on a quarterly basis.
<b>2019</b>	An approximate 24.04% increase in Contract use from 2018 to 2019. This increase is due to extensive outreach and open communications on Manufacturer product updates including cutoff dates to both State Agencies/Campuses (55 recipients) and Municipalities (49 recipients) through email distribution groups. Partnering and working closely with both the Vendors and Manufacturers has assisted in the roll-over of the costing in which increased our overall spend for this contract. This increase will also serve to allow strength in future negotiations and promote Vendor participation/competition.



## Market Analysis/Renewal Assessment & Projection Examples

### Market Research:

Pricing comparisons are difficult due to the variation in the bid specifications, vehicle configuration and optional equipment. To best determine savings achieved with this contract renewal, we are using a sample of 29 vehicles that are commonly purchased by all State agencies to compare pricing achieved from MY2017, MY2018, MY2019 and with the renewal for MY2020-21. When analyzing the group of vehicles, it is determined that our overall DECREASE is .084% whereas the standard Consumer Price Index (CPI) as shown for all urban areas reflects an average increase of 2.3% from December 2018 to December 2019. Attached is the Vehicle Price Analysis detailing the base vehicle cost comparison from MY2017 to MY2020. Sixteen (16) vehicles had no increase. The base cost price for four (4) of the twenty-nine (29) vehicles on contract is lower than MY2019 base cost price for the same vehicle. Additional costs established in the

and all required

### Results of Renewal Negotiations:

- Stabilization of vehicle base unit and option pricing from MY19 into MY20. A majority of the pricing was negotiated to roll over (0% increase) from the previous year into MY20 from the Manufacturers, allowing optimal discounts issued to the Dealers and passed onto the State of Wisconsin.
- Ability to obtain new manufacturer's product at set pricing from established vehicle base and option category percentage discounts to be deducted from the published MSRP. All discount structures carried over from MY2019 into MY2020.
- Reduced vehicle base pricing on Ford Escape and various model Dodge Ram trucks. This reduction was due to additional Manufacturer incentives and industry market competition.

### Potential Factors Impacting Next Year's Spend:

- New Manufacturer's model designs and products include the following: Ford engine changes for Transit vans and Ford truck models 250-550; Dodge Charger Fleet and Law Enforcement models; Chevrolet Tahoe and Suburban Fleet and Law Enforcement models; introduction of Ford F150 electric and electric plug-in truck along with Chevrolet hybrid and electric product not released.
- Associated tariffs for imported steel, aluminum, sub-assemblies (historically sub-assemblies have been assessed lower tariff percentages than completed functioning product), and electronic components that may increase due to availability and trade agreements.



# Communicating Contract Availability within your Agency

- Keep a log of your contracts (RFB/P, RPA, Piggybacks, Sole Source)
- Look for serial contracting or common purchases to create/use existing contracts
- Provide training on procurement authority and where to research available contracts:
  - [State of Wisconsin Procurement Desk Guide](#)
  - [Cooperative Purchasing Contract List](#)
  - [UW Madison- Purchasing Contract Inquiry](#)
  - STAR Add/Update Contracts Key Word Search
    - [Contract Naming Convention](#)
  - When naming your contact add in key words for searchability ease

[View Contract](#)

[Back to Contracts](#)

**Title:** Ground Maintenance Equipment - Includes: Lawn Mowers (MD wide coverage and Zero Turn), Tractors (HD & Compact), Tractor towed PTO Gang mowers & single unit mowers), Off Road Utility Vehicles (UTVs) & Turf Maintenance



# Questions?

